

## **FISCAL NOTE**

### **HB 2916 - SB 3135**

February 21, 2004

**SUMMARY OF BILL:** Requires health insurance policies to include coverage for hearing aids and for the evaluation and fitting of hearing aids.

#### **ESTIMATED FISCAL IMPACT:**

**Increase Local Govt. Expenditures - Exceeds \$100,000\***

#### **Other Fiscal Impact:**

**Increase Expenditures - Exceeds \$100,000/Health Insurance Industry**  
**Increase Revenues - Exceeds \$100,000/Health Insurance Industry\*\***

Estimate assumes:

- Self-funded state and local government plans are not affected because they are not subject to insurance mandates. Local governments that purchase commercial insurance products will be affected. The amount of increase cannot be determined but is estimated to exceed \$100,000.
- Coverage of hearing aids will increase expenditures to health insurance companies because most plans do not cover hearing aids. Health insurance companies will calculate the actuarial expense of such procedures to increase the price of individual and group policies to recover all costs over the actuarial cycle.
- The bill does not affect TennCare because the program already covers hearing aids.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

*\*\*The impact on the health insurance industry is included as required by TCA 3-2-111.*

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director